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DDA 77-0284

DD/A Registry
File Personnel

DDA 77-188
28 JAN 1977

MEMORANDUM FOR: Deputy Director of Central Intelligence

VIA : Deputy Director for Administration

Blake/dw 19 JAN 1977

FROM : F. W. M. Janney
Director of Personnel

SUBJECT : Review of O/Comptroller Conclusions Contained in
Their Memorandum "Personnel Inventory -
Functional Data"

Attached herewith are responses to your request for review and comments by the Office of Personnel on certain aspects of the Office of the Comptroller's paper "Personnel Inventory - Functional Data" that was presented to the EAG on 21 December 1976. In addition to responding to the specific items requested, we have also addressed the proposal relative to centralization of the personnel policy function in the Office of the DDCI.

F. W. M. Janney

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Att.

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OP/P&C [redacted] lrm (13 Jan 77)

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OP Review of O/Comp Conclusions from the Personnel Inventory

After analysis of the data from the Personnel Inventory, the authors of the summary prepared in O/Comp examined the mix and examined:

- a. The ratio of management to labor,
- b. The people intensive effort spent on registry functions,
- c. The possibility of reduction of the ratio of secretaries, clerks, and typists to total workforce,
- d. The impact of expanded DDI data processing requirements on the distribution of personnel,
- e. The options with respect to the "apparent imbalance" among directorates in the distribution of personnel devoted to personnel management.

After the presentation made to the EAG on 21 December 1976, the DDCI asked the Office of Personnel for feedback in the sense of comparing the ratios of personnel in other government agencies and in industry with respect to management, secretarial functions (in the general and inclusive sense), and personnel functions.

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The Ratio of Managers to Total Personnel

According to the personnel inventory [REDACTED] are classified as line managers. The suggestion is made that this ratio might be reduced and that the significant variations in the ratio among the various organizations be examined for possible insights into more effective utilization of managers.

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The number of managers in an organization of given size is determined by the type of organization (hierarchical or not), the number of levels of organization, the average number of subordinate units at each level, and the average number of people supervised at the lowest level. The number of "managers" tallied in the inventory roughly corresponds with the number of organizational units in levels 1 - 4 and mostly excludes the supervisors of the 5th level organizations, who probably view themselves more as substantive people than as managers, under the guidelines of the inventory.

Under such circumstances, to reduce the number of "managers" would require reorganization to reduce the number of organizational units or increased reliance on the team approach for activities within larger basic units. Obviously, the solution goes beyond setting guidelines for expected ratios of managers to total personnel as suggested. It goes deep into organizational and decision-making structure.

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Personnel Devoted to Personnel Management

In looking at the proportionate number of employees involved in personnel administration and management within other Federal agencies and in industry, we find that the proportion varies according to the centralization of personnel functions, the requirement for personnel support in the field or in the components, the benefits and services provided employees, the legal requirements with respect to the personnel records system, the extent of non-personnel (administrative) functions exercised by personnel officers, the extent to which the Civil Service Commission or other external body is used for some personnel functions, the kind of personnel evaluation system used, and the emphasis placed upon career development and counseling. Further, there are significant tradeoffs among personnel specialists, administrative personnel, and supervisory personnel. An organization with a low ratio of personnel specialists may require its supervisors to exercise many personnel-related responsibilities, for example. There are also tradeoffs relating to size. Very large organizations tend to have relatively low ratios of personnel specialists; there are economies of scale.

Generally speaking, industry is sometimes said to observe a one percent rule -- one percent of the labor force in personnel-related activities -- but, as noted, the actual ratio varies widely. In the

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adoption of the PASG report in 1974, Mr. Colby observed that the policies adopted, with a heavy emphasis on career development and employee counseling, would probably increase the requirement for personnelists. There is a heavy commitment of personnelists providing personnel support activities at the component level.

The actual concern expressed in the analysis of the personnel inventory relates not to the total number of personnelists but rather to the number involved in "personnel management." From the expression of this concern, the report moves to recommendations relating to the location of the personnel policy function, and apparently favors option two, the centralization of the personnel policy function in the office of the DDCI.

Here we have some problem with the data underlying the recommendations. In the first place, personnel management is defined so broadly as to include many officers with administrative or personnel operational and support responsibilities. In the more policy-related sense of policy direction, planning, and evaluation, we would only identify 22, of which 12 are in OP and 6 in the DDO. This contrasts to the 208 identified in Table AA and the 345 identified in paragraph 2 on page 10. Table AA shows 98 employees of the DDO involved in personnel activities. Based on the underlying submissions, we see that of these:

Directorate level personnel administration	9
Personnel evaluation	9
Personnel support activities	
Directorate, Division, Station	80

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Though Table AA shows 69 DDO officers engaged in "personnel management," it is apparent from the submissions that their primary concern is personnel support activities.

We urge the DDCI to give careful heed to the possible additional costs should an independent Office of Personnel Policy be established with such functions proposed for it, as those, for example, in the MAG paper. To cost it, an estimate is required of its staffing requirements and functions. Some of these must be duplicative; few of these can be covered by the transfer of positions from elsewhere.

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The Percentage of Secretarial/Clerical Personnel

According to the Personnel Inventory, the total number of secretaries, clerks, and typists in October 1976 was [REDACTED] When other types of clerical personnel were added in, but semi-professional personnel were excluded, the total rose to [REDACTED] (Table DD).

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In order to compare the percentage of clerical personnel in CIA with the percentages in other agencies, information was obtained from the Civil Service Commission which arrayed data for Federal agencies according to occupational group as defined within the standard occupational code. We chose a comprehensive definition, which included [REDACTED] employees as of December 1976. The table on page 8 displays the data, which reveals that the Agency has a comparatively low ratio of secretarial/clerical personnel.

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Though this is reassuring, there are new trends in the use of secretarial/clerical personnel, such as the growing use of word-processing centers, that hold some promise of increasing productivity but also create some problems to the extent they are seen by employees as means to "speed up" production.

In August 1974, the Office of Personnel sent a paper to the Management Committee on the topic of career management of clerical employees; this paper called management's attention to the need to give priority to studies of ways to make more effective use of clerical personnel and to make their work more effective. It was specifically recommended that this be made a Career Service responsibility.

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We continue to feel that this is a management responsibility but recognize that the employee perceptions as to the desirability or undesirability of such approaches as word-processing centers may have great impact on their effectiveness; thus there should be employee involvement in study of such concepts.

With respect to ratios of secretarial/clerical employees found in industry, such ratios may vary greatly between such diverse enterprises as insurance companies or manufacturing industry. Accordingly, they do not seem as informative as the ratios for other government agencies, especially those such as State that are similar with respect to production and correspondence activities.

We do note with interest the unusually low ratio found at NASA, an agency that one would expect to resemble ours. Perhaps it would be worth checking with NASA to see if they have developed something we might benefit from.

Though the secretarial/clerical ratio in the Agency seems reasonable, we agree with the findings of the Comptroller that the ratios seem excessive in some organizations, and the DDO has agreed that the ratio is so high in the DDO as to attract his attention. Thus, it is likely that the ratio can be reduced somewhat in the future.

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PROPOSAL: That the Agency's personnel policy function should be centralized in the Office of the DDCI.

This proposal is essentially the same recommendation proposed in the MAG paper of 7 December 1976 which states "The Agency needs to clarify responsibilities for career and personnel management and align responsibility with organization. Specifically, an Office of Personnel subordinate to one Deputy Director cannot develop or implement personnel policy." From this opinion the MAG proceeds to recommend the establishment of an independent Office of Personnel Policy in the Office of the DDCI with responsibilities that pertain to:

- a. Policy formulation and evaluation.
- b. Career Management for rotatees and GS-14s and above and those on detail to other agencies.
- c. Overseeing such problems as lack of career development planning, inadequacy of quality control, and unevenness of application of various policies and regulations.

While noting the similarity of the current MAG proposal which will be fully addressed in a separate memorandum, the substance of this paper will be directed at the specific proposal in hand.

The thrust of the proposal in the "Personnel Inventory" paper indicates a conviction that Agency personnel management will be enhanced by separating the Agency personnel policy function from personnel administration. By Federal regulation and on the basis of sound managerial concepts, the establishment of personnel policy is the responsibility of the Head of Agency. The Director of Personnel or other designated officials or advisory bodies (such as the former

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Management Committee and the current EAG) may advise such Head. The primary responsibility for personnel management operations or implementation rests with component managers who are responsible for the successful accomplishment of the Agency missions concerned.

In consideration of these concepts, this is the way it works in our Agency. The Office of Personnel, directly and internally involved in Agency-wide personnel functions (i.e., both personnel management and personnel administration) provides advice, proposals and staff support to the DCI, the DDCI and the Executive Advisory Group. The senior component managers, the primary officials directly involved in personnel management implementation both as major Agency organizational managers and Heads of Career Services, are members of the Executive Advisory Group. The present mechanisms relative to providing advice to the DCI and DDCI on personnel policy matters are comprised of those specific Agency officials with the best insights, experiences and expertise as a basis for their advice and recommendations.

The organizational location of the Office of Personnel within the Directorate of Administration has not inhibited the Director of Personnel in carrying out his independent responsibilities to the DCI and the DDCI relative to providing advice, the development of recommendations and the objective execution of such centralized functions as position classification and the evaluation and reporting of the effectiveness of personnel management implementation within the operating components of the Agency -- including the Directorate of

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Administration. The capacity of the Director of Personnel to provide professional input on Agency personnel policy formulation is in fact enhanced by his collateral responsibilities for specific elements of Agency personnel management (such as consultation and advice on personnel policy matters, development and implementation of the Agency's personnel programs, position classification and the review and evaluation of personnel management implementation) and personnel administration (employee benefits and services programs, maintenance of manpower information systems, recruitment and placement, etc.).

In the period 1973-1974 when the then DCI established and defined new objectives to institute major new directions in Agency personnel management approaches, the Office of Personnel provided the staff support and input for the Management Committee in a collaborative effort leading to the institution of new and uniform Agency policies, common programmatic responsibilities and structured programs (APP and PDP) applicable to Agency career and personnel management. The changes instituted by the DCI in 1973-1974 were of such scope and substance that final evaluation of their efficacy and effectiveness cannot be fully determined at this early date. Some needed modifications and the desirability of increased emphasis on certain elements of the programmatic aspects of personnel management operations are already apparent and are currently under consideration by the EAG and the DDCI.

In summary, it would appear that the fragmentation of responsibility of the personnel policy advisory and/or oversight role to a new

and separate entity in the Office of the DDCI would fix responsibility with a staff element possessing neither the essential experiential base nor resources to provide the DCI and the DDCI with the quality of advice so essential to sound managerial decision. Such a staff would be divorced from the data base residing in the Office of Personnel, the insights of those officers providing personnel support, and the management of those personnel programs that execute personnel policies. In addition to these disadvantages, the establishment of yet another office would involve a net resource cost, without a full offset from foreseeable benefits. The Director of Personnel, in addition to his organizational relationship subordinate to the Deputy Director for Administration, has independent responsibilities to the DCI and DDCI on Agency-wide personnel policy and personnel management matters. This direct link is readily usable in lieu of establishing a separate office.

As neither the immediate proposal nor MAG has addressed the resources for this "small" new office, we have done some preliminary calculations. Based upon the DDO experience, we would expect that ten to thirty people would be required for the Career Management function. It is likely that another twenty to thirty would be required for the intensive effort with respect to the policy formulation, evaluation and oversight functions. The staffing requirement could involve 30 to 60 people -- a costly proposal with little evidence of any substantial realizable gains.

It may be that the proposer has grasped a somewhat different problem, that of "manpower management" which relates to those actions necessary to balance manpower requirements and resources, including the allocation of ceiling. The Comptroller himself has told the EAG that he has little basis to allocate manpower to the Directorates; and the Director of Personnel, without access to program data, has difficulty recommending to management the necessary actions. In the past there has been some ad hoc cooperation between the Offices of the Comptroller and of Personnel. The EAG may wish to focus on this problem and to define the roles of the two offices that provide it staff support on questions of manpower management. Here again, the creation of a third office would appear to be a dubious solution and an expensive one.

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25X9 Within the "general" category, the DDO distributes a greater portion of its strength to "administrative general" than any other directorate. However, both the DDO and the DDA must operate facilities overseas, and this is an area in which the overseas proportion is higher than that for the Agency. The DDO devotes [REDACTED] of its strength to the secretarial subfunction, a share which ranks second only to the DCI area. As mentioned above, the DDO has a relatively large number of employees performing personnel functions. The same pattern is true of the finance function where the DDO has half again as many people involved as the DCI, DDI, and DDS&T combined.

What Does the Mix Reflect

Any effort to change the distribution of personnel must take into account existing constraints. These constraints include, but are not limited to, domestic and overseas inflation, accessibility of information useful to foreign policy-makers, the scope of geographic interest, personnel and budget ceilings, technology, and the number of experienced personnel on hand. For the most part these constraints will persist. Consequently, in order to make people available for new requirements and to increase our effectiveness, we must consider alternatives to the way we do things and the trade-offs we are willing to make.

Changing the personnel configuration inevitably means making hard decisions. With an overall management to labor force ratio of 1:11 it becomes very difficult for the individual manager at the lowest organizational level to consider the loss of one employee; to the manager, it means a 9 to 10 percent loss in the production or effectiveness of the unit.

Nevertheless, the difficult questions must be answered. It is our purpose to raise the obvious as well as difficult questions for policy consideration, affirmation or change.

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